

Office of the
Legislative Fiscal Analyst

FY 2005 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Utah Department of Natural Resources
Water Resources - Operating Budget

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1.0 Summary: Water Resources – Operating Budget

The Division of Water Resources is considered to be the water resource authority for the state, assuring the orderly planning, development and protection of Utah's water. It does this through conservation, planning and financial assistance programs.

A particular challenge for the division is maintaining the availability of water for an expanding population. It is projected that Utah's population will increase from 2.3 million in 2002 to 3.8 million in 2030, an increase of over 60%. According to some estimates, water infrastructure will require more than \$5.3 billion in improvements over the next 20 years. The need is highlighted by the current drought and its impact on the economy, the environment, and the way of life.

The operating budget is funded primarily from the General Fund and transfers from the Conservation and Development (C&D) Fund. Transfers of \$1,896,900 from the C&D fund to the Operating Budget are used to pay the engineering and other operating costs of the Construction and the Cities Water Administration Programs, and to contribute toward the Water Conservation/Education program.

Protecting threatened and endangered fish is key if the state is to continue developing river waters, particularly on the Colorado River. States, water users and power users have recently been cooperating with the federal government in stabilizing endangered fish populations in order to have full access to their apportioned waters.

	Analyst FY 2005 Base	Analyst FY 2005 Changes	Analyst FY 2005 Total
Financing			
General Fund	2,408,700	(6,800)	2,401,900
Dedicated Credits Revenue	34,000		34,000
Water Resources C&D	1,896,900		1,896,900
Water Res Construction	150,000		150,000
Beginning Nonlapsing	29,500		29,500
Closing Nonlapsing	(23,500)		(23,500)
Total	\$4,495,600	(\$6,800)	\$4,488,800
Programs			
Administration	390,400		390,400
Board	32,300		32,300
Interstate Streams	268,900		268,900
Planning	1,706,600	(6,800)	1,699,800
Cloudseeding	150,000		150,000
City Loans Administration	121,400		121,400
Construction	1,611,500		1,611,500
Water Conservation/Education	164,000		164,000
West Desert Ops	10,500		10,500
Cooperative Water Conservation	40,000		40,000
Total	\$4,495,600	(\$6,800)	\$4,488,800
FTE/Other			
Total FTE	51.0	0.0	51.0

2.0 Issues: Water Resources – Operating Budget

2.1 Transfer to Attorney General's Office

The DNR and the Attorney General's Office have agreed to transfer one employee from the DNR payroll to the AG payroll. Since the employee's work is divided among six divisions, each affected division will transfer \$6,800. The Analyst recommends the Legislature approve the transfer.

General Fund.....(\$6,800)

3.0 Programs: Water Resources - Operating Budget

3.1 Administration

Recommendation

The Analyst recommends a budget of **\$390,400**. Personal Services comprise **92** percent of the recommended budget.

	2003	2004	2005	Est/Analyst
Financing	Actual	Estimated*	Analyst	Difference
General Fund	394,100	391,100	390,400	(700)
General Fund, One-time		1,300		(1,300)
Total	\$394,100	\$392,400	\$390,400	(\$2,000)
Expenditures				
Personal Services	351,400	361,800	360,500	(1,300)
In-State Travel	5,100	4,800	4,800	
Out of State Travel	2,300	2,300	2,300	
Current Expense	19,500	11,900	11,200	(700)
DP Current Expense	15,800	11,600	11,600	
Total	\$394,100	\$392,400	\$390,400	(\$2,000)
FTE/Other				
Total FTE	5.6	6.0	6.0	0.0

*Non-state funds as estimated by agency

Purpose

Administration provides leadership and support to the other programs in the division. This program also includes budget, accounting, and public information functions.

Previous Budget Action Report

In the 2003 General Session the Legislature transferred \$10,000 in ongoing General Funds from this line item to the Building Operations line item to help cover increased maintenance costs. The transfer was effective for FY 2003 forward.

3.2 Board

Recommendation

The Analyst recommends a budget of **\$32,300** for the board's travel and per diem costs.

	2003	2004	2005	Est/Analyst
Financing	Actual	Estimated*	Analyst	Difference
General Fund	37,300	33,300	32,300	(1,000)
Total	\$37,300	\$33,300	\$32,300	(\$1,000)
Expenditures				
Personal Services	12,200	11,200	10,800	(400)
In-State Travel	19,700	16,900	16,900	
Out of State Travel	900	900	900	
Current Expense	4,500	4,300	3,700	(600)
Total	\$37,300	\$33,300	\$32,300	(\$1,000)

*Non-state funds as estimated by agency

Purpose

Created under UCA 73-10-1.5, the board is the policy-making body of the division. It oversees comprehensive water planning, protection of rights to interstate waters, and management of water resource project construction programs.

The board consists of eight members, with no more than four from the same political party. One member is appointed from each major drainage basin.

3.3 Interstate Streams

Recommendation

The Analyst recommends a budget of **\$268,900**. Pass-through expenditures go to the organizations listed below.

	2003	2004	2005	Est/Analyst
Financing	Actual	Estimated*	Analyst	Difference
General Fund	266,700	268,900	268,900	
General Fund, One-time		300		(300)
Total	\$266,700	\$269,200	\$268,900	(300)
Expenditures				
Personal Services	92,600	93,200	92,900	(300)
In-State Travel	1,000	1,000	1,000	
Out of State Travel	14,500	14,100	14,100	
Current Expense	2,700	2,700	2,700	
DP Current Expense	1,000	1,000	1,000	
Other Charges/Pass Thru	154,900	157,200	157,200	
Total	\$266,700	\$269,200	\$268,900	(300)
FTE/Other				
Total FTE	1.0	1.0	1.0	0.0

*Non-state funds as estimated by agency

Purpose

Because control of much of Utah's water resources is affected by actions of other states and federal agencies, active participation in selected interstate and state/federal bodies is essential to protect Utah's interests. The division director serves as Utah's Interstate Streams Commissioner and represents the state on the following organizations:

- Upper Colorado River Commission
- Bear River Commission
- Western States Water Council
- Colorado River Basin Salinity Control Forum and Advisory Council
- Glen Canyon Adaptive Management Work Group
- Colorado River Management Group

Utah is entitled to about 1.4 million acre-feet per year of Colorado River water, but is currently using a little less than 1 million. California is exceeding its allotment because of surpluses in states like Utah. Upper basin states are demanding California figure out how to live with its allotment.

The program accounts for dues to those organizations, per diem for commission members, and for one person to monitor and prepare for meetings and negotiations.

3.4 Planning

Recommendation

The Analyst recommends a budget of **\$1,699,800**, entirely from the General Fund. Pass-through expenditures go to the Natural Resources Conservation Service for snow data, and the U.S. Geological Survey for stream gauging data.

	2003	2004	2005	Est/Analyst
Financing	Actual	Estimated*	Analyst	Difference
General Fund	1,716,000	1,704,900	1,699,800	(5,100)
General Fund, One-time		4,800		(4,800)
Beginning Nonlapsing		21,500		(21,500)
Closing Nonlapsing	(21,500)			
Total	\$1,694,500	\$1,731,200	\$1,699,800	(\$31,400)
Expenditures				
Personal Services	1,277,900	1,349,400	1,344,800	(4,600)
In-State Travel	9,800	9,800	9,300	(500)
Out of State Travel	3,400	2,200	2,200	
Current Expense	81,200	52,100	41,400	(10,700)
DP Current Expense	66,800	62,300	67,500	5,200
Other Charges/Pass Thru	255,400	255,400	234,600	(20,800)
Total	\$1,694,500	\$1,731,200	\$1,699,800	(\$31,400)
FTE/Other				
Total FTE	18.4	19.0	19.0	0.0

*Non-state funds as estimated by agency

Transfer to Attorney General's Office

The DNR and the Attorney General's Office have agreed to transfer one employee from the DNR payroll to the AG payroll. Since the employee's work is divided among six divisions, each affected division will transfer \$6,800. The Analyst recommends the Legislature approve the transfer.

General Fund.....(\$6,800)

Purpose

The division is responsible to plan for and encourage the best use of the state's water resources to serve the physical, economic, environmental, and social needs of the people of Utah. This program helps coordinate water resources planning between various governmental agencies; maintains programs with various agencies to obtain streamflow, climatological, SNOTEL and water quality data; develops river basin models for state planning purposes and operational models for specific project feasibility studies.

This program maintains the State Water Plan (completed in 1990) and eleven detailed basin plans covering the state. The plans describe water development opportunities and problems, and make recommendations for the future.

Cooperative studies are performed with the U.S. Geological Survey and the federal Natural Resource Conservation Service on a 50/50 basis. These studies provide data for the state water plan.

**Previous Budget
Action Report**

In the 2003 General Session the Legislature cut \$40,100 in ongoing General Funds from this program as part of the requirement to reduce budgets by an additional two percent.

3.5 Cloud Seeding

Recommendation

The Analyst recommends a budget of **\$150,000**. Financing comes from the Revolving Construction Fund and is expended entirely on contractual services. Federal funds in FY 2004 came from the Bureau of Reclamation.

	2003 Actual	2004 Estimated*	2005 Analyst	Est/Analyst Difference
Financing				
Federal Funds		284,000		(284,000)
Water Res Construction	150,000	150,000	150,000	
Lapsing Balance	(5,700)			
Total	<u>\$144,300</u>	<u>\$434,000</u>	<u>\$150,000</u>	<u>(\$284,000)</u>
Expenditures				
Current Expense	144,300	434,000	150,000	(284,000)
Total	<u>\$144,300</u>	<u>\$434,000</u>	<u>\$150,000</u>	<u>(\$284,000)</u>

*Non-state funds as estimated by agency

Purpose

Weather modification is considered a feasible means of augmenting the natural water supply. Utah enacted weather modification legislation in 1973, and an operational cloud seeding program started in 1976. The field program, which usually extends from November to April, is funded jointly by the state and local water interests. Statistical analysis of the cloud seeding program since 1976 has shown an average increase in precipitation of eight percent to twenty percent.

Technological advances and added reservoir storage capacity will hopefully enhance the benefit of this program in the future.

3.6 City Loans Administration

Recommendation

The Analyst recommends a total budget of **\$121,400**. As a result of budget reductions, the \$50,000 in General Funds formerly in this program have been cut. All funding now comes from the Revolving Conservation and Development (C&D) Fund.

	2003	2004	2005	Est/Analyst
Financing	Actual	Estimated*	Analyst	Difference
Water Resources C&D	101,200	121,700	121,400	(300)
Total	\$101,200	\$121,700	\$121,400	(\$300)
Expenditures				
Personal Services	98,000	118,500	118,200	(300)
Current Expense	2,100	2,100	2,100	
DP Current Expense	1,100	1,100	1,100	
Total	\$101,200	\$121,700	\$121,400	(\$300)
FTE/Other				
Total FTE	1.5	2.0	2.0	0.0

*Non-state funds as estimated by agency

Purpose

This program was authorized in 1975 by the Legislature (UCA 73-10-22) to administer the Cities Water Fund to help communities finance their water infrastructure needs.

3.7 Construction

Recommendation

The Analyst recommends a total budget of **\$1,611,500**, funded entirely by a transfer from the Water Conservation and Development Fund.

	2003	2004	2005	Est/Analyst
Financing	Actual	Estimated*	Analyst	Difference
Water Resources C&D	1,600,000	1,626,300	1,611,500	(14,800)
Lapsing Balance	(25,100)			
Total	\$1,574,900	\$1,626,300	\$1,611,500	(\$14,800)
Expenditures				
Personal Services	1,382,600	1,436,200	1,431,100	(5,100)
In-State Travel	14,900	11,600	11,600	
Out of State Travel	900	900	900	
Current Expense	146,400	145,500	130,100	(15,400)
DP Current Expense	30,100	32,100	37,800	5,700
Total	\$1,574,900	\$1,626,300	\$1,611,500	(\$14,800)
FTE/Other				
Total FTE	19.5	21.0	21.0	0.0

*Non-state funds as estimated by agency

Purpose

This program provides the technical assistance for managing the three revolving construction fund programs (to be discussed further in the division's capital budget analysis). Engineers and geologists do investigations of applications, manage construction, and ensure safety.

3.8 Water Conservation/Education

Recommendation

The Analyst recommends a total budget of **\$164,000 from the C&D Fund**. The original FY 2002 appropriation had nearly \$70,000 from the General Fund, but those funds were eliminated due to budget cuts.

	2003	2004	2005	Est/Analyst
Financing	Actual	Estimated*	Analyst	Difference
Federal Funds		10,000		(10,000)
Water Resources C&D	162,000	154,400	164,000	9,600
Total	\$162,000	\$164,400	\$164,000	(\$400)
Expenditures				
Personal Services	110,700	113,100	112,700	(400)
In-State Travel	2,600	2,600	2,600	
Out of State Travel	1,700	1,700	1,700	
Current Expense	43,300	43,300	43,300	
DP Current Expense	3,700	3,700	3,700	
Total	\$162,000	\$164,400	\$164,000	(\$400)
FTE/Other				
Total FTE	2.0	2.0	2.0	0.0
*Non-state funds as estimated by agency				

Purpose

Utah is near the top of the nation in per capita water consumption. Statute (73-10-32) requires water conservation planning by the division. Water conservation and education are essential in order to reduce future water demands. Water conservancy districts and retailers must submit water conservation plans, and the division must provide technical support, then evaluate, make recommendations, and submit the plans to the Board of Water Resources. Most conservancy districts have chosen education as the primary tool for conservation.

3.9 Bear River/Wasatch Front

Recommendation

The Analyst does not recommend an appropriation for this program. Prior year nonlapsing funds were all expended in FY 2003.

	2003 Actual	2004 Estimated*	2005 Analyst	Est/Analyst Difference
Financing				
Beginning Nonlapsing	11,200			
Total	<u>\$11,200</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Current Expense	11,200			
Total	<u>\$11,200</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

*Non-state funds as estimated by agency

Purpose

This program was authorized by the Legislature in 1991 through UCA 73-26. The program finances investigations into developing the waters of the Bear River. The principal work so far has been water quality and quantity data collection and participation in a number of public meetings.

The division has determined the cost of developing the Bear River and conveying it to Willard Bay. The Weber Basin WCD and the Jordan Valley WCD are moving ahead to build a pipeline from Willard Bay to deliver up to 100,000 acre feet to Davis, Weber, and Salt Lake Counties by 2015. (An acre-foot of water is approximately 326,000 gallons.)

3.10 West Desert Operation

Recommendation

The Analyst recommends a budget of **\$10,500**, entirely from the General Fund. There are no Personal Services in the program.

	2003 Actual	2004 Estimated*	2005 Analyst	Est/Analyst Difference
Financing				
General Fund	2,600	10,500	10,500	
Total	<u>\$2,600</u>	<u>\$10,500</u>	<u>\$10,500</u>	<u>\$0</u>
Expenditures				
Current Expense	2,600	10,500	10,500	
Total	<u>\$2,600</u>	<u>\$10,500</u>	<u>\$10,500</u>	<u>\$0</u>

*Non-state funds as estimated by agency

Purpose

This program funds the maintenance on the West Desert pumping plant, as required by UCA 73-23-3. The pumps are part of a \$60 million Great Salt Lake flood control project begun in 1986. The pumps can lower the peak level of the lake about one foot per year. The division is maintaining the pumping facility through contracts with consultants and regular inspection by agency staff so they will be ready for operation if needed.

3.11 Cooperative Water Conservation

Recommendation The Analyst recommends a budget of **\$40,000**, entirely from donations (Dedicated Credits) and prior-year donations carried forward (Nonlapsing Balances) into FY 2005.

	2003	2004	2005	Est/Analyst
Financing	Actual	Estimated*	Analyst	Difference
Dedicated Credits Revenue	34,100	24,000	34,000	10,000
Beginning Nonlapsing	74,800	45,500	29,500	(16,000)
Closing Nonlapsing	(45,500)	(29,500)	(23,500)	6,000
Total	\$63,400	\$40,000	\$40,000	\$0
Expenditures				
Current Expense	63,400	40,000	40,000	
Total	\$63,400	\$40,000	\$40,000	\$0

*Non-state funds as estimated by agency

Purpose This program receives contributions from water conservancy districts and municipalities to help fund and expand the division's water conservation / education programs.

Intent Language The Analyst recommends **maintaining** the following intent language from H.B. 1, 2003 General Session:

It is the intent of the Legislature that the appropriation to the Cooperative Water Conservation Program be nonlapsing.

This language helps donors be sure their contributions will not lapse to the state's General Fund.

4.0 Additional Information: Water Resources - Operating Budget

4.1 Funding History

	2001	2002	2003	2004	2005
Financing	Actual	Actual	Actual	Estimated*	Analyst
General Fund	2,638,900	2,610,900	2,416,700	2,408,700	2,401,900
General Fund, One-time		(38,300)		6,400	
Federal Funds		24,700		294,000	
Dedicated Credits Revenue	26,500	24,100	34,100	24,000	34,000
Water Resources C&D	4,775,100	1,836,700	1,863,200	1,902,400	1,896,900
Water Res Construction	150,000	150,000	150,000	150,000	150,000
Beginning Nonlapsing	275,500	165,300	86,000	67,000	29,500
Closing Nonlapsing	(165,300)	(86,000)	(67,000)	(29,500)	(23,500)
Lapsing Balance	(72,800)	(157,500)	(30,800)		
Total	\$7,627,900	\$4,529,900	\$4,452,200	\$4,823,000	\$4,488,800
Programs					
Administration	429,500	389,900	394,100	392,400	390,400
Board	31,600	34,700	37,300	33,300	32,300
Interstate Streams	252,800	255,700	266,700	269,200	268,900
Planning	1,820,600	1,792,000	1,694,500	1,731,200	1,699,800
Cloudseeding	149,600	139,600	144,300	434,000	150,000
City Loans Administration	93,700	99,200	101,200	121,700	121,400
Construction	1,540,000	1,559,300	1,574,900	1,626,300	1,611,500
Water Conservation/Educa	169,600	165,300	162,000	164,400	164,000
Bear River/Wasatch Front	133,000	90,000	11,200		
West Desert Ops	3,700	4,200	2,600	10,500	10,500
C.U.P. Mitigation	3,000,000				
Cooperative Water Conserv	3,800		63,400	40,000	40,000
Total	\$7,627,900	\$4,529,900	\$4,452,200	\$4,823,000	\$4,488,800
Expenditures					
Personal Services	3,263,100	3,285,800	3,325,400	3,483,400	3,471,000
In-State Travel	45,100	41,600	53,100	46,700	46,200
Out of State Travel	27,500	20,200	23,700	22,100	22,100
Current Expense	706,100	546,100	521,200	746,400	435,000
DP Current Expense	180,900	155,000	118,500	111,800	122,700
DP Capital Outlay	8,700				
Capital Outlay		10,800			
Other Charges/Pass Thru	3,396,500	470,400	410,300	412,600	391,800
Total	\$7,627,900	\$4,529,900	\$4,452,200	\$4,823,000	\$4,488,800
FTE/Other					
Total FTE	51	51	48	51	51

*Non-state funds as estimated by agency.

4.2 Federal Funds

			FY 2003 Actual	FY 2004 Estimated	FY 2005 Analyst
Program:	Water Conservation/Education	Federal		10,000	
Fed Agency:	Bureau of Reclamation	State Match			
Purpose:	Education & Conservation	Total	0	10,000	0
Program:	Cloud Seeding	Federal		284,000	
Fed Agency:	Bureau of Reclamation	State Match		142,000	
Purpose:	Education & Conservation	Total	0	426,000	0
		Federal Total	0	294,000	0
		State Matching Total	0	142,000	0
		Total	0	436,000	0

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